



**CHAIRMAN'S REPORT TO SHAREHOLDERS  
NOTICE OF ANNUAL GENERAL MEETING  
MANAGEMENT PROXY CIRCULAR**

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**FOR THE**

**ANNUAL GENERAL MEETING OF SHAREHOLDERS**

**TO BE HELD**

**THURSDAY, NOVEMBER 9, 2023  
10:00 A.M. (PACIFIC)  
SUITE 1305, 1090 WEST GEORGIA STREET  
VANCOUVER, BRITISH COLUMBIA**

**HANNAN METALS LIMITED**  
**Chairman's Report to the Shareholders**

Dear Shareholders and Stakeholders,

On behalf of the Board of Directors, I would like to thank you, our shareholders and stakeholders, for your support. This year was a year of continued discovery, stakeholder relationship building and waiting for drill permits as we continued to unlock Peru's new geological frontiers to find the next generation of large-scale global copper-silver and copper-gold deposits.

From 2020 to 2021, Hannan launched a greenfield exploration program for porphyry and epithermal gold deposits in the high jungle areas of the Eastern Cordillera of Peru, which included regional database compilation, target generation, and field mapping. Hannan also conducted regional stream sediment sampling.

Initially, Hannan recognized the significant potential for large copper-silver deposits and aggressively staked a commanding tenure position. In 2020, the Company signed a ground-breaking US\$35M earn-in and Joint Venture on one third of our ground holding at San Martin with JOGMEC. Average widths and grades continuing to show context with drill numbers found during the discovery of the vast Kupferschiefer copper-silver deposits. At San Martin we await drill permits.

The target generation permitted definition of other prospective areas, one of which was the Valiente block located along the eastern flank of the Central Cordillera, Department of Ucayali. The Valiente project consists of an overlapping suit of 18 porphyry targets with composition ranging from conventional calc-alkalic to alkalic hosted Cu-Au mineralization across a 150 km by 40 km belt. We plan to sequentially derisk, permit and drill multiple porphyry centres over the next 5 years. At the Belen project in Valiente, an area that covers two copper-gold porphyries, skarns, and a 3 km long epithermal system, we have completed all base line studies and have stakeholder sign-off, and in the process of submitting the applications for drill permits.

This year, we also entered Chile with a low-cost entry into the Cerro Rolando project, a large, blind geophysical porphyry target. Geophysical surveys were completed, and the targets are now being evaluated.

Our strategy has led some of the biggest names in our Industry to become involved in Hannan, with both Teck Resources Limited ("Teck"), one of Canada's largest mining companies, and the Japan Organization for Metals and Energy Security ("JOGMEC"), now involved at equity and joint venture levels, respectively. JOGMEC is an independent administrative agency within the Japanese government which, among other things, seeks to secure stable resource supply for Japan. These associations allow us to strategically plan sequential tests of multiple large-scale mineral systems in the foreland basins and back-arc of Peru over the coming years. Teck remains our largest shareholder, increasing their holding in the Company during the year.

Hannan finishes the financial year well funded, in association with two of the world's pre-eminent mining entities, while developing a pipeline of large-scale projects, each one potentially company-changing, that will be drill tested over the coming years.

I would personally like to take this time to thank all those involved in building Hannan during the year, from our shareholders old and new, our wonderful technical, social and corporate staff and contractors in Peru and Canada, and of course my fellow directors and our President, Lars Dahlenborg. We will continue to work hard, respectfully and in co-operation with our stakeholders and communities to create a valuable and sustainable opportunity for all participants.

We trust that you will continue to join us for the year ahead.

Sincerely,

*"Michael Hudson"*

**Michael Hudson**  
**Chairman and CEO**

## HANNAN METALS LTD.

#1305 - 1090 West Georgia Street  
Vancouver, BC, V6E 3V7

### NOTICE OF ANNUAL GENERAL MEETING OF SHAREHOLDERS

**NOTICE IS HEREBY GIVEN** that the Annual General Meeting (the "**Meeting**") of the Shareholders of Hannan Metals Ltd. (hereinafter called the "**Company**") will be held at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia, on Thursday, the 9<sup>th</sup> day of November, 2023, at 10:00 AM (Vancouver time), for the following purposes:

1. to receive the audited consolidated financial statements of the Company for the fiscal year ended May 31, 2023, together with the report of the auditor therein;
2. to fix the number of directors at four (4);
3. to elect directors;
4. to appoint Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company at a remuneration to be fixed by the directors; and
5. to consider and, if thought fit, to pass an ordinary resolution to ratify, confirm and approve the Company's Stock Option Plan, as more particularly described in the Management Information Circular dated October 3, 2023.

Accompanying this Notice is a Management Information Circular, a form of Proxy and a Request Form for Annual and Interim Financial Statements. The accompanying Management Information Circular provides information relating to the matters to be addressed at the Meeting and is incorporated into this Notice.

To be valid, the accompanying form of Proxy, duly completed, dated and signed, must arrive at the office of the Registrar and Transfer Agent of the Company, Computershare Investor Services Inc., not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting or delivered to the Chairman of the Meeting on the day of but prior to the commencement of the Meeting.

If you are a non-registered shareholder of the Company and received this Notice of Meeting and accompanying materials through a broker, a financial institution, a participant, a trustee or administrator of a self-administered retirement savings plan, retirement income fund, education savings plan or other similar self-administered savings or investment plan registered under the Income Tax Act (Canada), or a nominee of any of the foregoing that holds your security on your behalf (the "Intermediary"), please complete and return the materials in accordance with the instructions provided to you by your Intermediary.

Shareholders are encouraged to vote on the matters in advance of the Meeting by submitting their completed form of proxy (or voting instruction form) prior to the Meeting by one of the means described in the Management Information Circular and not to attend the Meeting in person. Shareholders wishing to attend the Meeting in person must call the Corporate Secretary of the Company at 1.604.685.9316 at least 48 hours prior to the date of the Meeting for further instructions.

We ask that all questions which shareholders wish to raise be submitted in advance to [info@hannanmetals.com](mailto:info@hannanmetals.com)

DATED at Vancouver, British Columbia, this 3<sup>rd</sup> day of October, 2023.

BY ORDER OF THE BOARD

*"Michael Hudson"*

Michael Hudson,  
Chairman & CEO

## **HANNAN METALS LTD.**

### **MANAGEMENT INFORMATION CIRCULAR**

(Containing information as at October 3, 2023, unless indicated otherwise)

#### **SOLICITATION OF PROXIES**

This management information circular (“**Information Circular**”) is furnished in connection with the solicitation of proxies by the management of Hannan Metals Ltd. (the “**Company**”) for use at the Annual General Meeting of Shareholders of the Company (and any adjournment or postponement thereof) to be held on November 9, 2023 (the “**Meeting**”) at the time and place and for the purposes set forth in the accompanying Notice of Meeting. While it is expected that the solicitation will be primarily by mail, proxies may be solicited personally or by telephone by the directors, officers and regular employees of the Company at nominal cost. All costs of solicitation by management will be borne by the Company.

The contents and the sending of this Information Circular have been approved by the directors of the Company.

#### **APPOINTMENT OF PROXYHOLDER**

The individuals named in the accompanying form of proxy are directors and/or officers (“**Management’s Nominees**”) of the Company. **A SHAREHOLDER WISHING TO APPOINT SOME OTHER PERSON (WHO NEED NOT BE A SHAREHOLDER) TO REPRESENT HIM AT THE MEETING HAS THE RIGHT TO DO SO, EITHER BY STRIKING OUT THE NAMES OF THOSE PERSONS NAMED IN THE ACCOMPANYING FORM OF PROXY AND INSERTING THE DESIRED PERSON’S NAME IN THE BLANK SPACE PROVIDED IN THE FORM OF PROXY OR BY COMPLETING ANOTHER FORM OF PROXY. A proxy will not be valid unless the completed form of proxy is received by Computershare Investor Services Inc. (the “Transfer Agent”), Proxy Department, 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays and holidays) before the time for holding the Meeting, or any adjournment or postponement thereof, or with the Chairman of the Meeting prior to the commencement of the Meeting.**

#### **REVOCATION OF PROXIES**

A shareholder who has given a proxy may revoke it by an instrument in writing executed by the shareholder or by his attorney duly authorized in writing or, where the shareholder is a corporation, by a duly authorized officer or attorney of the corporation, and delivered to the head office of the Company, located at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia V6E 3V7 (Attention: Corporate Secretary), at any time up to and including the last business day preceding the day of the Meeting, or if adjourned, or postponed, any reconvening thereof, or to the Chairman of the Meeting on the day of the Meeting or, if adjourned, or postponed, any reconvening thereof or in any other manner provided by law. A revocation of a proxy does not affect any matter on which a vote has been taken prior to the revocation.

#### **INFORMATION FOR NON-REGISTERED SHAREHOLDERS**

**Only registered shareholders or duly appointed proxyholders are permitted to vote at the Meeting. Most shareholders of the Company are “non-registered” shareholders because the common shares of the Company (“Common Shares”) they own are not registered in their names but are instead registered in the names of a brokerage firm, bank or other intermediary or in the name of a clearing agency. Shareholders who do not hold their Common Shares in their own name (referred to herein as “Beneficial Shareholders”) should note that only registered shareholders may vote at the Meeting.** If Common Shares are listed in an account statement provided to a shareholder by a broker, then in almost all cases those Common Shares will not be registered in such shareholder’s name on the records of the Company. Such Common Shares will more likely be registered under the name of the shareholder’s broker or an agent of that broker. In Canada, the vast majority of such Common Shares are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depository Services Inc., which company acts as nominee for many Canadian brokerage firms). Common Shares held by brokers (or their agents or nominees) on behalf of a broker’s client can only be voted (for or against resolutions) at the direction of the Beneficial Shareholder. Without specific instructions, brokers and their agents and nominees are prohibited from voting Common Shares for the brokers’ clients. **Therefore, each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate person well in advance of the Meeting.**

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of shareholders' meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Common Shares are voted at the Meeting. Often the form of proxy supplied to a Beneficial Shareholder by its broker is identical to the form of proxy provided by the Company to the registered shareholders. However, its purpose is limited to instructing the registered shareholder (i.e. the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. ("**Broadridge**"). Broadridge typically prepares a machine-readable voting instruction form, mails those forms to the Beneficial Shareholders and asks Beneficial Shareholders to return the forms to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of Common Shares to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge voting instruction form ("VIF") cannot use that form to vote Common Shares directly at the Meeting. The VIF must be returned to Broadridge (or instructions respecting the voting of Common Shares must be communicated to Broadridge) well in advance of the Meeting in order to have the Common Shares voted.**

Beneficial Shareholders who have objected ("**OBOs**") to their identity being known to the Company, can expect to be contacted by Broadridge or their brokers or their broker's agents as set out above. The Company has not agreed to pay to distribute the proxy-related materials to the OBOs and, unless the intermediaries acting for such OBOs agree to assume the cost of such delivery, OBOs will not receive the proxy related materials for the Meeting.

Although Beneficial Shareholders may not be recognized directly at the Meeting for the purposes of voting Common Shares registered in the Beneficial Shareholder's name, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered shareholder and vote the Common Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Common Shares as proxyholder for the registered shareholder should enter their own names in the blank space on the VIF provided to them and return the same to their broker (or the broker's agent) in accordance with the instructions provided by such broker.**

All references to shareholders in this Information Circular and the accompanying form of Proxy and Notice of Meeting are to shareholders of record unless specifically stated otherwise.

### **VOTING OF PROXIES**

The Common Shares represented by a properly executed proxy in favour of Management's Nominees as proxyholders in the accompanying form of proxy will:

- (a) be voted or withheld from voting in accordance with the instructions of the person appointing the proxyholder on any ballot that may be taken; and
- (b) where a choice with respect to any matter to be acted upon has been specified in the form of proxy, be voted in accordance with the specification made in such proxy.

**ON A POLL, SUCH COMMON SHARES WILL BE VOTED AS DIRECTED BY MANAGEMENT OF THE COMPANY FOR EACH MATTER FOR WHICH NO CHOICE HAS BEEN SPECIFIED BY THE SHAREHOLDER.**

The enclosed form of proxy when properly completed and delivered and not revoked confers discretionary authority upon the person appointed proxy thereunder to vote with respect to amendments or variations of matters identified in the Notice of Meeting, and with respect to other matters which may properly come before the Meeting. If any amendments or variations to matters identified in the Notice of Meeting are properly brought before the Meeting or any further or other business is properly brought before the Meeting, it is the intention of the persons designated in the enclosed form of proxy to vote in accordance with their best judgment on such matters or business. At the time of the printing of this Information Circular, management of the Company knows of no such amendment, variation or other matter that may be presented to the Meeting.

## **INTEREST OF CERTAIN PERSONS OR COMPANIES IN MATTERS TO BE ACTED UPON**

Except as disclosed herein, no person who has been a director or executive officer of the Company at any time since the beginning of the last financial year, nor any proposed nominee for election as a director of the Company, nor any associate or affiliate of any of the foregoing, has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted upon other than the election of directors or the appointment of auditors.

## **VOTING SECURITIES AND PRINCIPAL HOLDERS OF VOTING SECURITIES**

The authorized capital of the Company consists of an unlimited number of Common Shares without par value. As at October 3, 2023 (the “**Record Date**”), the Company had 109,411,569 Common Shares issued and outstanding.

Only shareholders of record at the close of business on the Record Date who either personally attend the Meeting or who have completed and delivered a form of proxy in the manner and subject to the provisions described above shall be entitled to vote or to have their Common Shares voted at the Meeting.

On a show of hands, every individual who is present and is entitled to vote as a shareholder or as a representative of one or more corporate shareholders will have one vote, and on a poll every shareholder present in person or represented by a proxy and every person who is a representative of one or more corporate shareholders, will have one vote for each Common Share registered in that shareholder’s name on the list of shareholders as at the Record Date, which is available for inspection during normal business hours at the offices of the Transfer Agent and will be available at the Meeting. **Shareholders represented by proxy holders are not entitled to vote on a show of hands.**

To the knowledge of the directors and executive officers of the Company, no person or company beneficially owns, directly or indirectly, or exercises control or direction over, Common Shares carrying more than 10% of the voting rights attached to all outstanding Common Shares of the Company as of the close of business on October 3, 2023.

## **ELECTION OF DIRECTORS**

The board of directors (the “**Board**”) presently consists of four directors, and shareholders will be asked at the Meeting to determine the number of directors at four for the ensuing year. It is proposed that four directors be elected for the ensuing year.

Each of the present directors ceases to hold office immediately before the election of directors at the Meeting, unless (a) the Company fails to hold an annual general meeting or all the shareholders who are entitled to vote at an annual general meeting fail by a unanimous resolution to consent to all of the business that is required to be transacted at the annual general meeting on or before the date by which the annual general meeting is required to be held; or (b) the shareholders fail, at the Meeting or in a unanimous resolution, to elect or appoint any directors, in which case each of the present directors continues to hold office until his or her successor is elected or appointed or he or she otherwise ceases to hold office under the *Business Corporations Act* (British Columbia) (the “**BCBCA**”) or the Articles of the Company (the “**Articles**”). Directors ceasing to hold office at the Meeting are eligible for re-election or re-appointment.

The persons named below will be presented for election as directors at the Meeting as management’s nominees and the Management’s Nominees proposed by management as proxyholders in the accompanying form of proxy intend to vote for the election of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a director. Each director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles or the provisions of the BCBCA. If any vacancies occur in the nominees listed below before the Meeting, then the proxyholders named in the accompanying form of proxy intend to exercise discretionary authority to vote the Common Shares represented by proxy for the election of any other persons as directors. Management does not contemplate that any of the nominees will be unable to serve as a director.

The following table and notes thereto sets out the name of each person proposed to be nominated by management for election as a director (a “**proposed director**”), the province and country in which he or she is ordinarily resident, all offices of the Company now held by him or her, his or her principal occupation, the period of time for which he or she has been a director

of the Company, and the number of Common Shares beneficially owned by him or her, directly or indirectly, or over which he or she exercises control or direction, as at the date hereof.

Name, Position(s) and Province or State and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Common Shares beneficially held <sup>(2)</sup>
<p><b>MICHAEL HUDSON</b> Chairman, Chief Executive Officer (“CEO”) and Director  (Victoria, Australia)</p>	<p>Professional Geologist. Managing Director of Southern Cross Gold Ltd. (ASX: SXG) and Executive Chairman and a director of Mawson Gold Limited (“Mawson”), both mineral exploration and development companies. CEO of Mawson from March 2004 to September 2021. Mr. Hudson has over 30 years of experience in mineral exploration in Australia, Asia, South America and Europe. He has developed junior exploration companies over the past 20 years in the Canadian markets. Mr. Hudson graduated from the University of Melbourne in 1991 with a B.Sc. (Hons) in Geology and holds a Graduate Diploma of Applied Finance and Investment through the Financial Services Institute of Australia (FINSIA) obtained in 2005. He is a Fellow of the Australasian Institute of Mining and Metallurgy and a member of both the Society for Economic Geologists and Australian Institute of Geoscientists.</p>	<p>January 6, 2017</p>	<p>4,524,100<sup>(3)</sup></p>
<p><b>NICK DEMARE<sup>(4)</sup></b> Director  (British Columbia, Canada)</p>	<p>Chartered Professional Accountant. President of Chase Management Ltd. (“Chase”) since 1991. Chase is a private company which provides accounting, management, securities regulatory compliance and corporate secretarial services to companies listed on the TSX Venture Exchange (the “Exchange”) or the TSX. Mr. DeMare also serves as an officer and/or director of a number of publicly listed companies. Mr. DeMare holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing of the Chartered Professional Accountants British Columbia.</p>	<p>October 7, 2002</p>	<p>4,494,165<sup>(5)</sup></p>

Name, Position(s) and Province or State and Country of Residence <sup>(1)</sup>	Principal Occupation and, if not at present an elected Director, Occupation during the past five years <sup>(1)</sup>	Director Since	No. of Common Shares beneficially held <sup>(2)</sup>
<b>DAVID HENSTRIDGE<sup>(4)</sup></b> Director (Victoria, Australia)	Mr. Henstridge is a professional geologist with 50 years' experience in the mining industry including 30 years managing Canadian public-listed companies. CEO and director of Whitewater Acquisition Corp. a capital pool company on the Exchange since May 2021. He has been associated with many mineral discoveries worldwide including in Australia, Peru and Finland. Moving into the Canadian capital markets in 1993, he has been associated with companies raising more than \$200,000,000 for exploration and project development. He is currently chair and/or member of various audit, compensation, corporate governance and nominating committees.	July 9, 2013	3,331,918 <sup>(6)</sup>
<b>GEORGINA CARNEGIE<sup>(4)</sup></b> Director (New South Wales, Australia)	Ms. Carnegie is the Managing Director of Carnegie Enterprises, a private company owned by Ms. Carnegie that specializes in geo-political assessment and co-investment strategies. Ms. Carnegie has held senior positions in Australian government and management and board positions in the insurance, airline, and resources sectors. Ms. Carnegie holds a bachelor's degree in Economics from Monash University, and a Master's Degree in Public Administration from the Kennedy School of Government, Harvard University.	March 28, 2017	764,256

NOTES:

- (1) The information as to the residence and principal occupation of the director nominees, not being within the knowledge of the Company, has been furnished by the respective proposed directors individually.
- (2) The information as to Common Shares beneficially owned or over which a director nominee exercises control or direction, not being within the knowledge of the Company, has been furnished by the respective proposed director nominee individually.
- (3) Of these Common Shares, 4,003,100 are held by Elwood Partners Discretionary Trust and 200,000 are held by Sultana Superfund, both of which Mr. Hudson is the trustee.
- (4) Member of the Audit Committee. Nick DeMare is Chairman of the Audit Committee.
- (5) Of these Common Shares, 1,637,167 are owned by 888 Capital Corp.; 63 are owned by Chase and 786,125 are owned by DNG Capital Corp. 888 Capital Corp. is a private company that is 50% owned by Mr. DeMare. Chase and DNG Capital Corp. are private companies owned and controlled by Mr. DeMare.
- (6) Of these Common Shares, 1,042,334 are held by The Henstridge Family Superfund, of which Mr. Henstridge is the trustee.

Shareholders can vote for all of the proposed nominees for directors of the Company, vote for some of the proposed nominees and withhold for others, or withhold from voting for all or any of the proposed nominees.

**Unless such authority is withheld, Management's Nominees intend to vote "FOR" the election as directors of the Company of each of the four proposed directors named above.**

### **Corporate Cease Trade Orders or Bankruptcies**

None of the proposed directors of the Company or any of their personal holding companies:

- (a) is, as at the date of this Information Circular, or has been, within ten years before the date of this Information Circular, a director, chief executive officer or chief financial officer of any company, including the Company, that:
  - (i) was subject to a cease trade order or similar order or an order that denied the relevant company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
  - (ii) was subject to a cease trade or similar order or an order that denied the company access to any exemption under securities legislation, that was in effect for a period of more than 30 consecutive days, that was issued after the person ceased to be a director, chief executive officer or chief financial officer of the company and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or
- (b) is as at the date of this Information Circular or has been within the 10 years before the date of this Information Circular, a director or executive officer of any company, including the Company, that while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or
- (c) has, within the 10 years before the date of this Information Circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangements or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of that person.

None of the proposed directors or any of their personal holding companies has been subject to:

- (a) any penalties or sanctions imposed by a court relating to securities legislation or by a securities regulatory authority or has entered into a settlement agreement with a securities regulatory authority; or
- (b) any other penalties or sanctions imposed by a court or regulatory body that would likely be considered important to a reasonable securityholder in deciding whether to vote for a proposed director.

### **STATEMENT OF EXECUTIVE COMPENSATION**

For the purposes of this Information Circular, a “**Named Executive Officer**”, or “**NEO**”, means each of the following individuals:

- (a) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief executive officer (“**CEO**”), including an individual performing functions similar to a CEO;
- (b) each individual who, in respect of the Company, during any part of the most recently completed financial year, served as chief financial officer (“**CFO**”), including an individual performing functions similar to a CFO;
- (c) in respect of the Company and its subsidiaries, the most highly compensated executive officer other than the individuals identified in paragraphs (a) and (b) at the end of the most recently completed financial year whose total compensation was more than \$150,000, as determined in accordance with subsection 1.3(5) of Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers*, for that financial year;

- (d) each individual who would be a NEO under paragraph (c) but for the fact that the individual was not an executive officer of the Company, and was not acting in a similar capacity, at the end of that financial year.

Based on the foregoing definitions, during the financial year ended May 31, 2023, the Company had three NEOs, namely: Mr. Michael Hudson, Chairman and CEO, Mr. Harvey Lim, CFO, and Mr. Lars Dahlenborg, President.

**Director and NEO Compensation, Excluding Options and Compensation Securities**

The following table of compensation, excluding stock options of the Company (the “Options”) and compensation securities, provides a summary of the compensation paid by the Company or a subsidiary of the Company to each NEO and director of the Company for the two most recently completed financial years ended May 31, 2023 and 2022. Options and compensation securities are disclosed under the heading “*Stock Options and Other Compensation Securities*” of this Information Circular.

Table of Compensation, Excluding Compensation Securities							
Name and position	Year <sup>(1)</sup>	Salary, consulting fee, retainer or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$) <sup>(2)</sup>	Value of all other compensation (\$)	Total compensation (\$)
Michael Hudson Chairman, CEO and Director	2023	108,000 <sup>(3)</sup>	Nil	Nil	Nil	Nil	108,000
	2022	96,000 <sup>(3)</sup>	40,000 <sup>(3)</sup>	Nil	Nil	Nil	136,000
Harvey Lim CFO	2023	15,000	Nil	Nil	Nil	Nil	15,000
	2022	11,000	Nil	Nil	Nil	Nil	11,000
Lars Dahlenborg President	2023	149,538 <sup>(4)</sup>	30,000 <sup>(4)</sup>	Nil	Nil	Nil	179,538
	2022	167,093 <sup>(4)</sup>	20,000 <sup>(4)</sup>	Nil	Nil	Nil	187,093
Nick DeMare Director	2023	15,000	Nil	Nil	Nil	42,350 <sup>(5)</sup>	57,350
	2022	11,000	10,000	Nil	Nil	42,400 <sup>(5)</sup>	63,400
David Henstridge Director	2023	15,000	Nil	Nil	Nil	Nil	15,000
	2022	11,000	Nil	Nil	Nil	Nil	11,000
Georgina Carnegie Director	2023	15,000	Nil	Nil	Nil	Nil	15,000
	2022	11,000	Nil	Nil	Nil	Nil	11,000
Ciara Talbot <sup>(6)</sup> Former Director	2023	15,000	Nil	Nil	Nil	Nil	15,000
	2022	11,000	Nil	Nil	Nil	Nil	11,000

NOTES:

- (1) Fiscal year end May 31.
- (2) The Company doesn’t pay perquisites.
- (3) Paid to Oro Plata Pty Ltd., a private company wholly-owned by Mr. Hudson, for services provided by Mr. Hudson in his capacity as Chairman and CEO of the Company. See “*Employment, Consulting and Management Agreements*”.
- (4) Mr. Dahlenborg’s salary was paid in Swedish Krona until November 2022, as a result, the Canadian equivalent is subject to exchange rate fluctuations. [See “*Employment, Consulting and Management Agreements*”.
- (5) Paid to Chase, a private company wholly-owned by Nick DeMare, for accounting, management and administration services performed by Chase personnel, exclusive of Mr. DeMare.

(6) Ms. Talbot resigned as a director of the Company effective July 31, 2023.

**Stock Options and Other Compensation Securities**

The following table of compensation securities provides a summary of all compensation securities granted or issued by the Company or one of its subsidiaries to each NEO and director of the Company for the financial year May 31, 2023, for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries:

Compensation Securities							
Name and position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class <sup>(1)</sup>	Date of issue or grant	Issue, conversion or exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry Date
Michael Hudson <sup>(2)</sup> Chairman, CEO and Director	Options	740,000 (13.77%)	December 28, 2022	0.28	0.29	0.245	December 28, 2025
Harvey Lim <sup>(3)</sup> CFO	Options	225,000 (4.19%)	December 28, 2022	0.28	0.29	0.245	December 28, 2025
Lars Dahlenborg <sup>(4)</sup> President	Options	500,000 (9.31%)	December 28, 2022	0.28	0.29	0.245	December 28, 2025
Nick DeMare <sup>(5)</sup> Director	Options	325,000 (6.05%)	December 28, 2022	0.28	0.29	0.245	December 28, 2025
David Henstridge <sup>(6)</sup> Director	Options	325,000 (6.05%)	December 28, 2022	0.28	0.29	0.245	December 28, 2025
Georgina Carnegie <sup>(7)</sup> Director	Options	325,000 (6.05%)	December 28, 2022	0.28	0.29	0.245	December 28, 2025
Ciara Talbot <sup>(8)</sup> Former Director	Options	325,000 (6.05%)	December 28, 2022	0.28	0.29	0.245	October 31, 2023

NOTES:

- (1) As at May 31, 2023, there were 5,373,000 Options outstanding.
- (2) As at May 31, 2023, Mr. Hudson held 740,000 Options that entitle him to acquire upon exercise 740,000 Common Shares. All Options are fully vested.
- (3) As at May 31, 2023, Mr. Lim held 225,000 Options that entitle him to acquire upon exercise 225,000 Common Shares. All Options are fully vested.
- (4) As at May 31, 2023, Mr. Dahlenborg held 500,000 Options that entitle him to acquire upon exercise 500,000 Common Shares. All Options are fully vested.
- (5) As at May 31, 2023, Mr. DeMare held 325,000 Options that entitle him to acquire upon exercise 325,000 Common Shares. All Options are fully vested.
- (6) As at May 31, 2023, Mr. Henstridge held 325,000 Options that entitle him to acquire upon exercise 325,000 Common Shares. All Options are fully vested.
- (7) As at May 31, 2023, Ms. Carnegie held 325,000 Options that entitle her to acquire upon exercise 325,000 Common Shares. All Options are fully vested.

- (8) As at May 31, 2023, Ms. Talbot held 325,000 Options that entitle her to acquire upon exercise 325,000 Common Shares. All Options are fully vested. Ms. Talbot resigned as a director of the Company on July 31, 2023, as a result, the expiry date of Ms. Talbot's Options was amended to three months' from the date of her voluntary resignation.

The following table provides a summary of each exercise of compensation securities by each NEO and director of the Company for the financial year ended May 31, 2023:

Exercise of Compensation Securities							
Name and position	Type of compensation security	Number of underlying securities exercised	Exercise price per security (\$)	Date of exercise	Closing price per security on date of exercise (\$)	Difference between exercise price and closing price on date of exercise (\$)	Total value on exercise date (\$)
Michael Hudson Chairman, CEO and Director	N/A	Nil	N/A	N/A	Nil	Nil	Nil
Harvey Lim CFO	N/A	Nil	N/A	N/A	Nil	Nil	Nil
Lars Dahlenborg President	Options	115,000	0.25	December 14, 2022	0.33	0.08	9,200
Nick DeMare Director	N/A	Nil	N/A	N/A	Nil	Nil	Nil
David Henstridge Director	N/A	Nil	N/A	N/A	Nil	Nil	Nil
Georgina Carnegie Director	N/A	Nil	N/A	N/A	Nil	Nil	Nil
Ciara Talbot Former Director	N/A	Nil	N/A	N/A	Nil	Nil	Nil

### **Stock Option Plan and Other Incentive Plans**

The Company has no other incentive plans other than its stock option plan (the "**Option Plan**"). The Company has adopted a rolling stock option plan, which makes a total of 10% of the issued and outstanding Common Shares at the date of grant of an option available for issuance thereunder.

The Option Plan, which is a significant component of executive compensation, was established to promote the profitability and growth of the Company by facilitating the efforts of the Company to retain and encourage key individuals and qualified parties to continue their association with the Company. The Option Plan provides that it is solely within the discretion of the Option Plan Administrator (as defined below) to determine who should receive Options and in what amounts. The Options may have vesting provisions, as determined by the Board. Options may be granted for any term up to a maximum of ten years after the issuance of such Options.

The following is a summary of the material terms of the Option Plan:

### *Eligibility*

The Option Plan allows the Company to grant Options to attract, retain and motivate qualified directors, officers, employees and consultants of the Company and its subsidiaries (collectively, the “**Option Plan Participants**”).

### *Number of Common Shares Issuable*

The aggregate number of Common Shares that may be issued to Option Plan Participants under the Option Plan will be that number of Common Shares equal to 10% of the issued and outstanding Common Shares on the particular date of grant of the Option.

### *Limits on Participation*

The Option Plan provides for the following limits on grants, for so long as the Company is subject to the requirements of the Exchange, unless disinterested shareholder approval is obtained or unless permitted otherwise pursuant to the policies of the Exchange:

- (i) the maximum number of Common Shares that may be issued to any one Option Plan Participant (and where permitted pursuant to the policies of the Exchange, any company that is wholly-owned by the Option Plan Participant) under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 5% of the issued Common Shares calculated on the date of grant;
- (ii) the maximum number of Common Shares that may be issued to insiders collectively under the Option Plan, together with any other security based compensation arrangements, within a 12-month period, may not exceed 10% of the issued Shares calculated on the date of grant; and
- (iii) the maximum number of Common Shares that may be issued to insiders collectively under the Option Plan, together with any other security-based compensation arrangements, may not exceed 10% of the issued Common Shares at any time.

For so long as such limitation is required by the Exchange, the maximum number of Options which may be granted within any 12-month period to Option Plan Participants who perform investor relations activities must not exceed 2% of the issued and outstanding Common Shares, and such Options must vest in stages over 12 months with no more than 25% vesting in any three month period. In addition, the maximum number of Common Shares that may be granted to any one consultant under the Option Plan, together with any other security-based compensation arrangements, within a 12-month period, may not exceed 2% of the issued Common Shares calculated on the date of grant.

### *Administration*

The plan administrator of the Option Plan (the “**Option Plan Administrator**”) is the Board or a committee of the Board, if delegated. The Option Plan Administrator, among other things, determines which directors, officers, employees or consultants are eligible to receive Options under the Option Plan; determine conditions under which Options may be granted, vested or exercised, including the expiry date, exercise price and vesting schedule of the Options; establish the form of option certificate (“**Option Certificate**”); interpret the Option Plan; and make all other determinations and take all other actions necessary or advisable for the implementation and administration of the Option Plan.

Subject to any required regulatory or shareholder approvals, the Option Plan Administrator may also, from time to time, without notice to or without approval of the shareholders or the Option Plan Participants, amend, modify, change, suspend or terminate the Options granted pursuant thereto as it, in its discretion, determines appropriate, provided that no such amendment, modification, change, suspension or termination of the Option Plan or any Option granted pursuant thereto may materially impair any rights of an Option Plan Participant or materially increase any obligations of an Option Plan Participant under the Option Plan without the consent of such Option Plan Participant, unless the Option Plan Administrator determines such adjustment is required or desirable in order to comply with any applicable securities laws or stock exchange requirements or as otherwise permitted pursuant to the Option Plan.

All of the Options are subject to the conditions, limitations, restrictions, vesting, exercise and forfeiture provisions determined by the Option Plan Administrator, in its sole discretion, subject to such limitations provided in the Option Plan, and will be evidenced by an Option Certificate. In addition, subject to the limitations provided in the Option Plan and in accordance with applicable law, the Option Plan Administrator may accelerate the vesting of Options, cancel or modify outstanding Options and waive any condition imposed with respect to Options or Common Shares issued pursuant to Options.

#### *Exercise of Options*

Options shall be exercisable as determined by the Option Plan Administrator at the time of grant, provided that no Option shall have a term exceeding 10 years so long as the Common Shares are listed on the Exchange.

Subject to all applicable regulatory rules, the vesting schedule for an Option, if any, shall be determined by the Option Plan Administrator. The Option Plan Administrator may elect, at any time, to accelerate the vesting schedule of an Option, and such acceleration will not be considered an amendment to such Option and will not require the consent of the Option Plan Participant in question. However, no acceleration to the vesting schedule of an Option granted to an Option Plan Participant performing investor relations services may be made without prior acceptance of the Exchange.

The exercise price of an Option shall be determined by the Option Plan Administrator and cannot be lower than the greater of: (i) the minimum price required by the Exchange; and (ii) the market value of the Common Shares on the applicable grant date.

An Option Plan Participant may exercise the Options in whole or in part through any one of the following forms of consideration, subject to applicable laws, prior to the expiry date of such Options, as determined by the Option Plan Administrator:

- the Option Plan Participant may send a wire transfer, certified cheque or bank draft payable to the Company in an amount equal to the aggregate exercise price of the Common Shares being purchased pursuant to the exercise of the Options;
- subject to approval from the Option Plan Administrator and the Common Shares being traded on the Exchange, a brokerage firm may be engaged to loan money to the Option Plan Participant in order for the Option Plan Participant to exercise the Options to acquire the Common Shares, subsequent to which the brokerage firm shall sell a sufficient number of Common Shares to cover the exercise price of such Options to satisfy the loan. The brokerage firm shall receive an equivalent number of Common Shares from the exercise of the Options, and the Option Plan Participant shall receive the balance of the Common Shares or cash proceeds from the balance of such Common Shares; and
- subject to approval from the Option Plan Administrator and the Common Shares being traded on the Exchange, consideration may be paid by reducing the number of Common Shares otherwise issuable under the Options, in lieu of a cash payment to the Company, an Option Plan Participant, excluding those providing investor relations services, only receives the number of Common Shares that is equal to the quotient obtained by dividing: (i) the product of the number of Options being exercised multiplied by the difference between the volume-weighted average trading price of the Common Shares and the exercise price of the Options, by (ii) the volume-weighted average trading price of the Common Shares. The number of Common Shares delivered to the Option Plan Participant may be further reduced to satisfy applicable tax withholding obligations. The number of Options exercised, surrendered or converted, and not the number of Common Shares issued by the Company, must be included in calculating the number of Common Shares issuable under the Option Plan and the limits on participation.

If an exercise date for an Option occurs during a trading black-out period imposed by the Company to restrict trades in its securities, then, notwithstanding any other provision of the Option Plan, the Option shall be exercised no more than ten business days after the trading black-out period is lifted by the Company, subject to certain exceptions.

#### *Termination of Employment or Services and Change in Control*

The following describes the impact of certain events that may, unless otherwise determined by the Option Plan Administrator or as set forth in an Option Certificate, lead to the early expiry of Options granted under the Option Plan.

Termination by the Company for cause:	Forfeiture of all unvested Options. The Option Plan Administrator may determine that all vested Options shall be forfeited, failing which all vested Options shall be exercised in accordance with the Option Plan.
Voluntary resignation of an Option Plan Participant:	Forfeiture of all unvested Options. Exercise of vested Options in accordance with the Option Plan.
Termination by the Company other than for cause:	Acceleration of vesting of a portion of unvested Options in accordance with a prescribed formula as set out in the Option Plan. <sup>1</sup> Forfeiture of the remaining unvested Options. Exercise of vested Options in accordance with the Option Plan.
Death or disability of an Option Plan Participant:	Acceleration of vesting of all unvested Options. <sup>1</sup> Exercise of vested Options in accordance with the Option Plan.
Termination or voluntary resignation for good reason within 12 months of a change in control:	Acceleration of vesting of all unvested Options. <sup>1</sup> Exercise of vested Options in accordance with the Option Plan.

Notes: (1) Any acceleration of vesting of unvested Options granted to an investor relations service provider is subject to the prior written approval of the Exchange.

Any Options granted to an Option Plan Participant under the Option Plan shall terminate at a date no later than 12 months from the date such Option Plan Participant ceases to be an Option Plan Participant.

In the event of a triggering event, which includes a change in control, dissolution or winding-up of the Company, a material alteration of the capital structure of the Company and a disposition of substantially all of the Company's assets, the Option Plan Administrator may, without the consent of the Option Plan Participant, cause all or a portion of the Options granted to terminate upon the occurrence of such event.

#### *Amendment or Termination of the Option Plan*

Subject to any necessary regulatory approvals, the Option Plan may be suspended or terminated at any time by the Option Plan Administrator, provided that no such suspension or termination shall alter or impact any rights or obligations under an Option previously granted without the consent of the Option Plan Participant.

The following limitations apply to the Option Plan and all Options thereunder as long as such limitations are required by the Exchange:

- any adjustment to Options, other than in connection with a security consolidation or security split, is subject to prior Exchange acceptance and the issuance of a news release by the Company outlining the terms thereof;

- any amendment to the Option Plan is subject to prior Exchange acceptance, except for amendments to reduce the number of Common Shares issuable under the Option Plan, to increase the exercise price of Options or to cancel Options;
- any amendments made to the Option Plan shall require regulatory and shareholder approval and the issuance of a news release by the Company outlining the terms thereof, except for amendments to: (i) fix typographical errors; and (ii) clarify existing provisions of the Option Plan and which do not have the effect of altering the scope, nature and intent of such provisions; and
- the exercise price of an Option previously granted to an insider must not be reduced, or the extension of the expiry date of an Option held by an insider may not be extended, unless the Company has obtained disinterested shareholder approval to do so in accordance with Exchange policies.

Subject to the foregoing limitations and any necessary regulatory approvals, the Option Plan Administrator may amend any existing Options or the Option Plan or the terms and conditions of any Option granted thereafter, although the Option Plan Administrator must obtain written consent of the Option Plan Participant (unless otherwise excepted out by a provision of the Option Plan) where such amendment would materially decrease the rights or benefits accruing to an Option Plan Participant or materially increase the obligations of an Option Plan Participant.

As at the date of this Information Circular, the Company had 109,411,569 Common Shares issued and outstanding so that a maximum of 10,941,157 Common Shares would be available for issuance pursuant to the Options granted under the Option Plan. Currently there are 9,133,000 Options outstanding leaving 1,808,157 Common Shares available for grant of further Options under the Option Plan.

The Option Plan was adopted by the Company as a new rolling stock option plan in November 2022, and was approved by the Company's shareholders at the last annual and special meeting of shareholders held on November 17, 2022 and by the Exchange on November 21, 2022. In accordance with the policies of the Exchange, a rolling stock option plan requires the approval of the shareholders of the Company on an annual basis. Accordingly, the Company will be seeking the approval of its shareholders to the ratification of the Option Plan at the Meeting. See "*Particulars of Other Matters to be Acted Upon*".

### **Employment, Consulting and Management Agreements**

Management functions of the Company are substantially performed by directors or senior officers (or private companies controlled by them, either directly or indirectly) of the Company and not, to any substantial degree, by any other person with whom the Company has contracted. Salary compensation to an NEO is provided for under verbal understandings or written consulting agreements.

The Company entered into a management agreement with Oro Plata Pty Ltd. ("**Oro Plata**"), a private company wholly owned by Mr. Hudson, and Michael Hudson effective as of January 6, 2017, as amended on December 9, 2022 (the "**Oro Plata Agreement**") pursuant to which Oro Plata provides the services of Mr. Hudson as the Company's Chairman and CEO for a base monthly fee of \$10,000 or \$120,000 per annum and stock option grants from time to time.

The Company entered into a consultancy agreement with Mr. Lars Dahlenborg on January 16, 2017, as amended on December 9, 2022 (the "**Dahlenborg Agreement**") pursuant to which Mr. Dahlenborg serves as the Company's President for a base monthly fee of approximately \$14,167 or approximately \$170,004 per annum and stock option grants from time to time.

Each of the Oro Plata Agreement and the Dahlenborg Agreement provide that in the event of termination of the Oro Plata Agreement and/or the Dahlenborg Agreement as a result of a Change of Control (as defined below), each of Mr. Hudson and Mr. Dahlenborg will be entitled to receive, within five (5) business days of such termination of their respective agreements, the amount equal to twelve (12) months of the then monthly fee payable pursuant to each of the Oro Plata Agreement and the Dahlenborg Agreement. On the assumption that termination, as a result of a Change of Control, had occurred during the financial year ended May 31, 2023, the Company would have paid \$120,000 to Oro Plata and \$170,004 to Mr. Dahlenborg.

For the purposes of the Oro Plata Agreement and the Dahlenborg Agreement, a "**Change of Control**" shall be deemed to have occurred when:

- (i) there is an occurrence of an event, including a take over bid (as defined in the *Securities Act* (British Columbia)), whereby any person or entity becomes the beneficial owner of Common Shares representing 50% plus 1 (one) Common Share of the combined voting power of the voting securities of the Company;
- (ii) a majority of the directors elected at any annual or special general meeting of shareholders of the Company are not individuals nominated by the Company's then incumbent Board; or
- (iii) there is a merger, amalgamation, reorganization or other corporate transaction of the Company with one or more corporations as a result of which, immediately following such merger, amalgamation, reorganization or other corporate transaction the shareholders of the Company as a group will hold less than a majority of the outstanding capital stock of the surviving corporation.

Mr. Harvey Lim was appointed as CFO of the Company on July 17, 2013, and receives a monthly fee of \$1,250 or \$15,000 per annum and stock option grants from time to time, in exchange for his services as CFO of the Company.

### **OVERSIGHT AND DESCRIPTION OF DIRECTOR AND NAMED EXECUTIVE OFFICER COMPENSATION**

The objectives of the Company's executive compensation policy are to:

- attract, retain and motivate executives critical to the success of the Company;
- provide fair, competitive and cost effective compensation programs to its executives;
- link the interests of management with those of the holders of Common Shares; and
- provide rewards for outstanding corporate and individual performance.

Compensation of the Named Executive Officers is determined by the Board.

#### **Named Executive Officer Compensation**

The Board determines Named Executive Officer compensation without reference to formal objectives, criteria or analysis, at the time of engagement of the Named Executive Officer and subsequently reviews compensation payable to a Named Executive Officer from time to time to ensure that total compensation paid to all Named Executive Officers is fair and reasonable. Compensation is comprised of a monthly payment and long-term incentive compensation, which is provided through the granting of Options.

For the Company's financial year ended May 31, 2023, the significant element of compensation paid to Oro Plata for providing the services of Mr. Hudson as Chairman and CEO was a monthly base fee and grant of Options to Mr. Michael Hudson, CEO. The significant elements of compensation paid and awarded to Mr. Lars Dahlenborg, for his services as President of the Company was a monthly fee, a cash bonus and grant of Options. The significant element of compensation paid to Mr. Lim was a monthly fee for his services as CFO and grant of Options. See "***Director and NEO Compensation, Excluding Options and Compensation Securities***" and "***Employment, Consulting and Management Agreements***". The compensation to each Named Executive Officer is based on the position held, the related responsibilities and functions performed by the executive and that are competitive and motivating, commensurate with the time spent by executive officers in meeting their obligations and reflective of compensation paid by companies similar in size and business to the Company, as determined by the Board's collective experience in similar lines of business. Individual and corporate performance is also taken into account in determining base salary levels for executives. Total compensation paid to the NEOs was not based on any performance criteria or goals.

See "***Stock Option Plan and Other Incentive Plans***" for a discussion on incentive Options that may be awarded to Named Executive Officers.

## Director Compensation

The Board determines director compensation for the Company from time to time. Directors of the Company other than Mr. Hudson are currently paid a monthly fee of \$1,250 for serving on the Board. See “*Director and NEO Compensation, Excluding Options and Compensation Securities*”. Directors are entitled to receive compensation from the Company to the extent that they provide other services to the Company and any such compensation is based on rates that would be charged by such directors for such services to arm’s length parties, from time to time. Directors are also entitled to be reimbursed for reasonable expenditures incurred in performing their duties as directors. See “*Stock Option Plan and Other Incentive Plans*” for a discussion on incentive Options that may be awarded to directors.

## Pension

The Company does not have any form of pension plan that provides for payments or benefits to the NEO at, following, or in connection with retirement. The Company does not have any form of deferred compensation plan.

## SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The following table provides information regarding compensation plans under which securities of the Company are authorized for issuance to directors, officers, employees and consultants in effect as of the end of the Company’s most recently completed fiscal year end:

Plan Category	Column (a) Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Column (b) Weighted-Average Exercise Price of Outstanding Options, Warrants and Rights	Column (c) Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a)) <sup>(1)(2)</sup>
Equity Compensation Plans Approved By Securityholders	5,373,000	0.29	5,543,156
Equity Compensation Plans Not Approved By Securityholders	-	-	-
<b>Total</b>	<b>5,373,000</b>	<b>0.29</b>	<b>5,543,156</b>

### NOTE:

1. Based upon the Company having 109,161,569 Common Shares issued and outstanding as at May 31, 2023. The Company has in place a “rolling” stock option plan whereby the maximum number of Common Shares that may be reserved for issuance pursuant to such plan will not exceed 10% of the issued Common Shares at the time of the stock option grant.
2. Any warrants outstanding as at May 31, 2023 are not included in the above table, as they were issued in connection with previous equity financings, and not in connection with an equity compensation plan.

See “*Statement of Executive Compensation – Stock Option Plan and other Incentive Plans*” for a summary of the Option Plan.

## INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Since the beginning of the last completed financial year, no director, executive officer, employee, proposed management nominee for election as a director of the Company, nor any associate of any such director, executive officer, or proposed management nominee of the Company, or any former director, executive officer or employee of the Company or any of its subsidiaries, was indebted to the Company or any of its subsidiaries, or indebted to another entity where such indebtedness was the subject of a guarantee, support agreement, letter of credit or other similar arrangement or understanding provided by the Company or any of its subsidiaries.

## **INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS**

Other than as set out below and contained elsewhere in this Information Circular, no informed person of the Company, no proposed nominee for election as a director of the Company and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since June 1, 2022 (the commencement of the Company's last completed financial year) or in any proposed transaction that, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

## **APPOINTMENT OF AUDITOR**

Unless such authority is withheld, Management's Nominees intend to vote for the re-appointment of Davidson & Company LLP, Chartered Professional Accountants, as the auditor of the Company to hold office until the next annual general meeting and to authorize the directors to fix the auditor's remuneration.

## **MANAGEMENT CONTRACTS**

During the most recently completed financial year, no management functions of the Company or of its subsidiaries were, to any substantial degree, performed by a person or company other than the directors or executive officers (or private companies controlled by them, either directly or indirectly) of the Company or a subsidiary.

## **AUDIT COMMITTEE**

Under National Instrument 52-110 – *Audit Committees* (“NI 52-110”), companies are required to provide disclosure with respect to their audit committee, including the text of the audit committee's charter, the composition of the audit committee and the fees paid to the external auditor. This information is set out in the attached Schedule “A” to this Information Circular.

## **DISCLOSURE OF CORPORATE GOVERNANCE PRACTICES**

National Instrument 58-101 – *Disclosure of Corporate Governance Practices* (“NI 58-101”) requires reporting issuers to disclose the corporate governance practices, on an annual basis, that they have adopted. The Company's approach to corporate governance is provided in Schedule “B” to this Information Circular.

The Board has adopted certain corporate governance policies to reflect the Company's commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 – *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 – *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company's approach to corporate governance issues. A discussion of the Company's governance practices within the context of NI 58-101 is set out in the attached Schedule “B” to this Information Circular.

## **PARTICULARS OF OTHER MATTERS TO BE ACTED UPON**

### **Ratification of Stock Option Plan**

The Company has a rolling stock option plan, which makes a total of 10% of the issued and outstanding Common Shares available for issuance thereunder. The Option Plan was adopted by the Board in October 2022 as a new rolling stock option plan and approved by the shareholders in November 2022. The Option Plan received final acceptance from the Exchange on November 21, 2022. In accordance with the policies of the Exchange, a rolling plan requires the approval of the shareholders of the Company on an annual basis. Accordingly, the Company requests that the shareholders ratify, confirm and approve the Option Plan. A summary of the material terms of the Option Plan is provided under the heading “*Statement of Executive Compensation – Stock Option Plan and Other Incentive Plans*”.

As at the date of this Information Circular, the Company had 109,411,569 Common Shares issued and outstanding so that a maximum of 10,941,157 Common Shares would be available for issuance pursuant to the Options granted under the Option Plan. Currently, there are 9,133,000 Options outstanding under the Option Plan, leaving 1,808,157 Common Shares available for grants of further Options.

The Exchange policies require that the Option Plan be approved by the affirmative vote of a majority of the votes cast at the Meeting. Accordingly, the Company requests that the shareholders pass, with or without amendment, the following ordinary resolution:

**“BE IT RESOLVED THAT:**

1. the stock option plan (the “**Plan**”) of Hannan Metals Ltd. (the “**Company**”), in the form approved by the shareholders of the Company at the last annual and special meeting of shareholders held on November 17, 2022, with or without amendments that may be required to conform to the policies of the TSX Venture Exchange or to comply with rules and regulations of any other regulatory body having authority over the Company or the Plan, is hereby ratified, confirmed and approved;
2. the Company is authorized to grant stock options pursuant and subject to the terms and conditions of the Plan entitling all of the optionholders in aggregate to purchase up to such number of common shares of the Company as is equal to 10% of the number of common shares of the Company issued and outstanding on the applicable grant date; and
3. any one of the directors or officers of the Company be authorized and directed to perform all such acts, deeds and things and execute, under the seal of the Company or otherwise, all such documents and other writings, including treasury orders, stock exchange and securities commission forms, as may be required to give effect to the true intent of this resolution.”

Under the Articles of the Company and the BCBCA, the ordinary resolution to ratify, confirm and approve the Option Plan must be approved by at least a simple majority of 50% plus one vote of the votes cast by the shareholders present in person or by proxy at the Meeting.

A copy of the Option Plan is available upon request from the Company and will be available for review at the Meeting.

*Recommendation of the Board*

The Board has determined that the Option Plan is in the best interests of the Company and the shareholders and unanimously recommends that the shareholders vote in favour of the ratification of the Option Plan. **In the absence of any contrary directions, it is the intention of management to vote proxies in the accompanying form FOR the foregoing resolution.**

The Board reserves the right to amend any terms of the Option Plan or not to proceed with the Option Plan at any time prior to the Meeting if the Board determines that it would be in the best interests of the Company and the shareholders and to do so in light of any subsequent event or development occurring after the date of the Information Circular.

**ANY OTHER MATTERS**

Management of the Company knows of no matters to come before the Meeting other than those referred to in the Notice of Meeting accompanying this Information Circular. However, if any other matters properly come before the Meeting, it is the intention of Management Nominee’s to vote the same in accordance with their best judgment of such matters.

**ADDITIONAL INFORMATION**

Additional information regarding the Company and its business activities is available on the Company’s profile on the SEDAR+ website located at [www.sedarplus.ca](http://www.sedarplus.ca) and the Company’s website at [www.hannanmetals.com](http://www.hannanmetals.com). The Company’s financial information is provided in the Company’s audited comparative financial statements and related management’s discussion and analysis for its most recently completed financial year and may be viewed on the SEDAR+ website or on the Company’s website, as noted above. Shareholders of the Company may request copies of the Company’s financial statements and related management discussion and analysis by contacting the Company at Hannan Metals Ltd., at Suite 1305, 1090 West Georgia Street, Vancouver, British Columbia, Canada, V6E 3V7, attention Mariana Bermudez, Corporate Secretary; or by telephone: 604-685-9316.

**BOARD APPROVAL**

The contents and sending of this Information Circular have been approved by the board of directors of Hannan Metals Ltd.

Dated at Vancouver, British Columbia, as of the 3<sup>rd</sup> day of October, 2023.

ON BEHALF OF THE BOARD

*“Michael Hudson”*

Michael Hudson  
Executive Chairman

**Schedule “A”**  
**AUDIT COMMITTEE**

**Composition of the Audit Committee**

As of the date of this Information Circular, the following are the members of the Company’s audit committee (“Committee” or “Audit Committee”)

<b><u>Member</u></b>	<b><u>Independent</u><sup>(1)</sup></b>	<b><u>Financially Literate</u><sup>(2)</sup></b>
Nick DeMare	Yes	Yes
David Henstridge	Yes	Yes
Georgina Carnegie	Yes	Yes

NOTES:

- (1) A member of an audit committee is independent if, in addition to meeting other regulatory requirements, the member has no direct or indirect material relationship with the Company which could, in the view of the Board, reasonably interfere with the exercise of a member’s independent judgment.
- (2) An individual is financially literate if he or she has the ability to read and understand a set of financial statements that present a breadth of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can reasonably be expected to be raised by the Company’s financial statements.

**Relevant Education and Experience**

The following is a summary of the Audit Committee members’ education and experience which is relevant to the performance of their responsibilities as an audit committee member:

*Nick DeMare* – Mr. DeMare, Chair of the Audit Committee, is a chartered professional accountant and has been providing financial consulting services to junior resources issuers through Chase since 1991. He holds a Bachelor of Commerce degree from the University of British Columbia and is a member in good standing with the Chartered Professional Accountants British Columbia.

*David Henstridge* – Mr. Henstridge has a Bachelor of Science Degree (Honours) in Geology and over 40 years of experience working as a professional geologist and managing publicly trading companies in Australia and Canada. Mr. Henstridge also serves as a director and audit committee member of other publicly-listed resource companies.

*Georgina Carnegie* – Ms. Carnegie is an economist and international business consultant with extensive board experience in the corporate, government and education sectors. She has over forty years’ experience in international research and advisory work, particularly in Asia. She recently spent more than a decade as Senior Advisor to the Chairman of a natural resources focused private equity firm. Ms. Carnegie has a B Economics (Monash) and an MPA (Kennedy School of Government, Harvard).

In their positions with the Company and other mineral resource companies, members of the Audit Committee have been responsible for receiving information relating to other companies and obtaining an understanding of balance sheets, income statements and statements of cash flows and assessing the financial condition of companies and their operating results.

Each member has an understanding of the mineral exploration and mining business in which the Company is engaged and has an appreciation of the financial issues and accounting principals that are relevant in assessing the Company’s financial disclosures and internal control systems.

## **The Audit Committee Charter**

The text of the Audit Committee's Charter is as follows:

### ***Mandate***

The primary function of the audit committee is to assist the board of directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company's systems of internal controls regarding finance and accounting and the Company's auditing, accounting and financial reporting processes. The Committee's primary duties and responsibilities are to:

- Serve as an independent and objective party to monitor the Company's financial reporting and internal control system and review the Company's financial statements.
- Review and appraise the performance of the Company's external auditors.
- Provide an open avenue of communication among the Company's auditors, financial and senior management and the Board of Directors.

### ***Composition***

The Committee shall be comprised of three directors as determined by the Board of Directors, the majority of whom shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his/her independent judgment as a member of the Committee. At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Audit Committee Charter, the definition of "**financially literate**" is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company's financial statements.

The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders' meeting. Unless a Chair is elected by the full Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

### ***Meetings***

The Committee shall meet at least twice annually, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the CFO and the external auditors in separate sessions.

### ***Responsibilities and Duties***

To fulfill its responsibilities and duties, the Committee shall:

#### ***Documents/Reports Review***

- (a) Review and update the Charter annually.
- (b) Review the Company's financial statements, MD&A and any annual and interim earnings, press releases before the Company publicly discloses this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public, including any certification, report, opinion, or review rendered by the external auditors.

***External Auditors***

- (a) Review annually, the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- (b) Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- (c) Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- (d) Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors.

Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

***Financial Reporting Processes***

- (a) In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- (b) Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- (c) Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- (d) Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- (e) Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- (f) Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- (g) Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- (h) Review certification process.
- (i) Establish a procedure for the confidential, anonymous submission by employees of the Company of concerns regarding questionable accounting or auditing matters.

***Other***

Review any related-party transactions.

**Audit Committee Oversight**

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

### Reliance on Certain Exemptions

At no time since the commencement of the Company's financial year ended May 31, 2023 has the Company relied on the exemption in Section 2.4 of NI 52-110 (*De Minimis Non-audit Services*), the exemptions in Subsection 6.1.1(4) (*Circumstance Affecting the Business or Operations of the Venture Issuer*), Subsection 6.1.1(5) (*Events Outside Control of Member*), Subsection 6.1.1(6) (*Death, Incapacity or Resignation*) or an exemption from NI 52-110, in whole or in part, granted under Part 8 of NI 52-110 (*Exemptions*).

### Pre-Approval Policies and Procedures

The Audit Committee has adopted specific policies and procedures for the engagement of non-audit services as described above in the text of the Company's Audit Committee Charter under the heading "**Responsibilities and Duties**".

### External Auditor Service Fees (By Category)

The aggregate fees billed by the Company's external auditors in each of the last two fiscal years for audit fees are as follows:

Financial Year Ending	Audit Fees <sup>(1)</sup>	Audit Related Fees <sup>(2)</sup>	Tax Fees <sup>(3)</sup>	All Other Fees <sup>(4)</sup>
2023	\$49,500	-	-	-
2022	\$55,000	-	-	-

NOTES:

- (1) The aggregate audit fees billed during the fiscal year.
- (2) The aggregate fees billed for assurance and related services that are reasonably related to the performance of the audit or review of the Company's financial statements which are not included under the heading "**Audit Fees**".
- (3) Fees billed for preparation of Company's corporate tax return.
- (4) The aggregate fees billed for products and services other than as set out under the headings "**Audit Fees**", "**Audit Related Fees**" and "**Tax Fees**".

### Exemption in Section 6.1

The Company is a "**venture issuer**" as defined in NI 52-110 and is relying on the exemption in section 6.1 of NI 52-110 relating to Parts 3 (*Composition of Audit Committee*) and 5 (*Reporting Obligations*).

## Schedule “B”

### STATEMENT OF CORPORATE GOVERNANCE PRACTICES

NI 58-101 requires issuers to disclose their governance practices in accordance with that instrument. The Company is a “**venture issuer**” within the meaning of NI 58-101.

The Board has adopted certain corporate governance policies to reflect the Company’s commitment to good corporate governance, and to comply with NI 58-101, Form 58-101F2 - *Corporate Governance Disclosure (Venture Issuers)* and National Policy 58-201 - *Corporate Governance Guidelines*. The Board periodically reviews these policies and proposes modifications to the Board for consideration as appropriate. The Company considers good corporate governance to be central to the effective and efficient management and operation of the Company, and the Board is directly responsible for developing the Company’s approach to corporate governance issues.

A discussion of the Company’s governance practices within the context of NI 58-101 is set out below:

#### **Board of Directors**

NI 52-110 sets out the standard for director independence. Under NI 52-110, a director is independent if he or she has no direct or indirect material relationship with the Company. A material relationship is a relationship which could, in the view of the Board, be reasonably expected to interfere with the exercise of a director’s independent judgment. NI 52-110 also sets out certain situations where a director will automatically be considered to have a material relationship with the Company.

The Board is currently comprised of four persons. Applying the definition set out in NI 52-110, as at the date of this Information Circular, three of the four members are independent. The members who are independent are Mr. David Henstridge, Mr. Nick DeMare and Ms. Georgina Carnegie. Mr. Michael Hudson, Executive Chairman and CEO, is not independent because he is an executive officer of the Company.

#### **Directorships**

As of October 3, 2023, the following directors of the Company are also serving as directors of other reporting issuers, details of which are as follows:

*Michael Hudson:* Mawson Gold Limited, Sixty Six Capital Inc. and Southern Cross Gold Ltd.

*Nick DeMare:* Auscan Resources Inc., Cliffmont Resources Ltd., East West Petroleum Corp., Inc., Kingsmen Resources Ltd., Mirasol Resources Ltd., Rochester Resources Ltd., Salazar Resources Limited, T2 Metals Corp. (formerly, Aguila Copper Corp.), Tinka Resources Limited, Tribeca Resources Corporation (formerly, Hansa Resources Limited), Rockshield Acquisition Corp. and Whitewater Acquisition Corp.

*David Henstridge:* Auscan Resources Inc., Southern Cross Gold Ltd. and Whitewater Acquisition Corp.

*Georgina Carnegie:* Southern Cross Gold Ltd.

#### **Orientation and Continuing Education**

The CEO and/or the CFO are delegated responsibly by the Board for providing an orientation to new directors and continuing education to directors. Director orientation and on-going training will include presentations by senior management to familiarize directors with the Company’s strategic plans, its significant financial, accounting and risk management issues, its compliance programs, its principal officers and its independent auditors.

## **Ethical Business Conduct**

The Board has adopted a Whistleblower Policy which allows its directors, officers and employees who feel that a violation of the high standards of business conduct and ethics has occurred, or who have concerns regarding financial statement disclosure issues, accounting, internal accounting controls or auditing matters, to report such violation or concerns to the Chair of the Audit Committee on a confidential and anonymous basis. All complaints are to be forwarded to the Chair of the Audit Committee for investigation and corrective and disciplinary action, if appropriate. The Company's Whistleblower Policy is available on the Company's website at [www.hannanmetals.com](http://www.hannanmetals.com)

In addition to the Whistleblower Policy, the Board has adopted a Code of Business Conduct and Ethics to affirm the Company's commitment to uphold high moral and ethical principles and specifies the basic norms of behaviour for those conducting business on its behalf. While the Company's business practices must be consistent with the business and social practices of the communities in which the Company operates, the Company believes that honesty is the essential standard of integrity in any locale. Thus, though local customs may vary, the Company's activities are to be based on honesty, integrity and respect. The Company's Code of Business Conduct and Ethics is posted on the Company's website at [www.hannanmetals.com](http://www.hannanmetals.com). In addition to the Company's Code of Business Conduct and Ethics, each director, officer and employee is expected to comply with relevant corporate and securities laws and, where applicable, the terms of their employment agreements.

The Board monitors the compliance with the Code of Business Conduct and Ethics and also ensures that management encourages and promotes a culture of ethical business conduct.

## **Nomination of Directors**

As the Company's business evolves and expands, the Company will be required to nominate new members to the Board or increase the size of the Board and depth of expertise of the Board members. From time to time new directorships will be added in order to ensure that the Company continues to implement best practices and that the Company has access to the expertise required to run its operations in the most efficient manner possible. In addition, the Company will be required to replace existing directors from time to time. The Board determines new nominees to the Board, although no formal process has been adopted. The Board has determined that the configuration of four directors is the appropriate number of directors, taking into account the number required to carry out duties effectively while maintaining a diversity of views and experience.

## **Compensation**

The Company does not have a compensation committee. The compensation of the directors and the CEO is considered and determined by the Board. See "*Oversight and Description of Director and Named Executive Officer Compensation*" of the Information Circular for details on the process for determining compensation.

## **Other Board Committees**

There are no Board committees other than the Audit Committee.

## **Assessment of the Board, the Audit Committee and Directors**

The Company does not currently have any formal procedures in place to assess the performance of the Board as a whole, the Audit Committee or the directors on an individual basis. However, informal discussion among the Board members and management serves to monitor the evaluation of each director's contribution to the Board and the Audit Committee.

